

*"Kids today
associate farming
with an element
that wants to keep things
the way they are"...*



THE WAY IT IS

A 16mm Motion Picture

25 minutes / Sound / Color



"The Way It Is" is a film about people. The people who work in California's most vital industry . . . agriculture.

The scenes used in this motion picture were filmed as they actually happened. No "professionals" were used . . . no actors. The growers, their families and friends are real. The farm family is representative of farm families throughout California. Film crews followed the activities of a working farm recording events as they happened.

The result is an extraordinary documentary of the successes, the failures, the personal attitudes and pressing problems faced not only by California growers . . . but by growers in every other state.



"The Way It Is" is intended to present the California grower in a manner seldom seen, going about the day-to-day business of growing and harvesting, and then marketing the fruits of his labor.

You will learn "The Way It Is" through the words of the growers themselves; how the cost-price squeeze, inflation, urbanization, rising taxes, and over-production affect the farmer, his family and you.

After seeing "The Way It Is," we hope that you feel you know a California grower, understand some of his

problems, and have a better insight into some of his personal attitudes. That you will have a better understanding of "The Way It Is."

It is not the purpose of this film to dwell in detail upon each and every facet of contemporary farm problems, but to present an over-view or introduction that will provide a springboard for further discussion. Here is a closer look at some of the points only touched upon in the film:

"We have a lot of pride in what we are doing."

California is the number one farm state. The state leads the nation in the variety, volume and farm value of its agricultural products.

On less than three per cent of the nation's farm land, California growers produce more than 25 per cent of the nation's table food. Nationally, the state ranks first in the production of 46 different crops; second in the production of 10 additional crops; and third in the production of 11.

Based on economic studies, it has been said that agriculture is the source of a quarter of the state's total income, and that one out of every three jobs in the state is related, directly or indirectly, to agriculture.

Quality standards for California farm products are governed by laws, regulations and the programs of grower-organized commodity marketing orders. Standards that affect size, shape, color, texture and even the aroma of agricultural products.

In addition, California has one of the most strict programs governing the use of pesticides. These laws are rigidly enforced, and compliance is checked by government teams for the protection of people and the environment.

"Our costs have risen tremendously."

While California leads the nation in gross farm receipts, and this figure has been increasing nearly every year, net return to growers has been decreasing in recent years. This is because costs have been increasing at a more rapid rate than farm prices.

The nature of the crops grown, the land, the climate and the distance from markets all contribute to high production costs in California . . . costs that are higher than any other state.

Because California farmers must compete for markets with growers in these other states, high production costs put them at a disadvantage. What are some of these rising production costs?

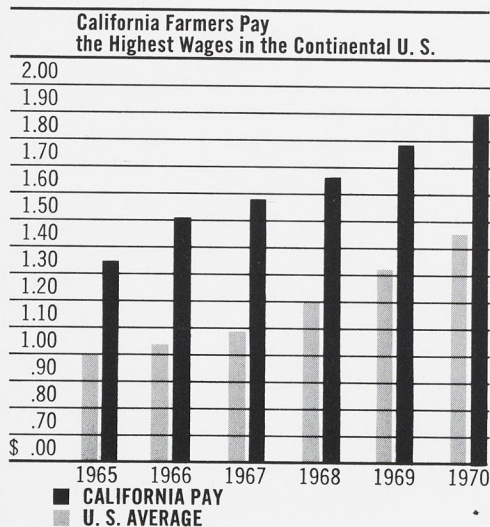
Labor

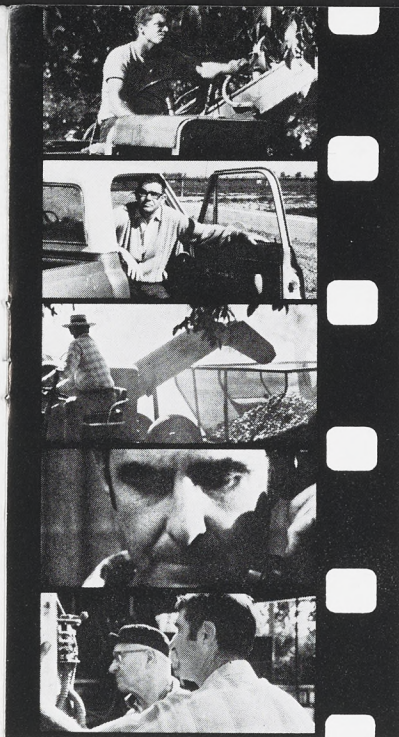
The largest single item in the annual production bill is farm labor. Throughout the years, California growers have traditionally paid higher wages to farm workers than farmers in other states.

The California farm worker is also covered by more protective laws than workers in any other state. These include prohibitions against child labor, regulations governing farm worker housing, transportation, labor contractors, wages and working conditions.

Taxes

California farmers pay the highest farm tax bill in the nation . . . more than \$422 million in 1969 . . . up almost 600 per cent from the \$71 million bill in 1949. This nearly half a billion dollar tax load amounts to close to 10 per cent of California agriculture's total gross income.





***"We haven't been able to
pass our costs along."***

***"Growers have formed
cooperatives and
commodity organizations."***

Urbanization

The increasing population has created problems for agriculture. Subdivisions, both residential and industrial, have crowded farm land out of production. In addition, tax assessors often have based the farmer's tax bill upon the potential value of his farm land for subdivision or industrial development, not upon its current value in agricultural production.

For example: A farm may be sold to a housing developer for a subdivision. Adjoining farms then run the risk of being assessed on their potential value as subdivision land, rather than as farm land, even though these adjoining farms continue to be used for agricultural purposes. In addition, the new houses bring in many more people who need community services, such as police, fire protection, water, sewers, streets and street lighting and schools. This means the area needs even *more* tax revenue to provide these services. With property taxes the major source of revenue for local governments today, the farm land may be assessed with an even higher tax rate to pay for services it does not need.

This situation has forced many farmers to sell their farms to urban developers, which then compounds the problem and contributes to a lack of open space, and urban sprawl.

Mechanization

One means by which agriculture has sought to overcome the squeeze between increasing cost and unmoving prices (see Cost-Price Squeeze) has been to increase efficiency.

Agriculture's increased efficiency, especially in California, has been one of the marvels of the world. Fewer and fewer farmers are producing more and more food. Part of this is accomplished by increasing mechanization. Machines permit fewer people to do the same work as the larger work forces of the past. But mechanization is expensive. A rice harvester, for instance, can cost as much as \$60,000. Such a machine will harvest 50 acres a day. With harvest season lasting at least 20 days, it is easily seen that 1,000 acres or more would be needed to make the most efficient use of the machine. This means that increased efficiency, and increased mechanization, often means increased size of farms.

Geography

California's geographic location, its topography and climate, permits the production of a tremendous variety of crops, ranging from tropical fruit to cold weather crops. But the state's location also creates a competitive disadvantage that increases costs.

The major markets for California products are in the midwest and east. This is true also for California's competitors in other states, but the California farmer has a much greater distance to ship, meaning higher transportation costs, as well as higher packaging costs to help protect the commodities during their long trip to market.

The solution for the farmer may *seem* simple; if production costs rise, just raise prices to cover the increased costs.

But . . . the farmer is not able to raise his prices, or "pass his costs along," as in some other industries.

For one thing, agriculture deals in highly perishable products, which reach maturity as a result of weather conditions, and climate, almost as much as a result of planning by the farmer.

A farmer cannot "hold back" a crop because market conditions are not favorable. Once the seed is in the ground, the crop moves toward the harvest date inexorably.

Some harvest seasons overlap, and many competing products reach the market at the same time. Prices for agricultural commodities are determined by supply and demand. When supply is great . . . price is low.

In order to bring as much stability as possible to the marketing process, farmers often form cooperatives, join marketing associations, or price bargaining groups. These tend to stabilize the market to some extent, but the fact remains that many farm prices have been relatively unchanged for many years.

“Many of our prices have remained the same for the past 20 years.”

Certainly it is a fact that the retail price of food has increased, but the farmer has not shared in the increase. Retail food prices have risen 41 per cent in the past 20 years, but this is primarily due to increased costs of marketing, transporting, warehousing, shipping and selling. But compared to other goods, the cost of food has risen less sharply.

Today's consumer demands more convenience foods; frozen foods ready to heat and eat, and dried foods to which you add water and pop into an oven. All these “built-in maid services” add to the retail cost of food, because they cost more to prepare.

It is interesting to note that, despite the increases in the retail prices, food today is actually cheaper than in any other period in American history. It is cheaper because disposable income (your dollar after taxes) has risen at a much faster rate than the cost of food.

Many people believe that the farmer is compensated for low prices by government subsidies. In California this simply is not true.

The fact is, 98 per cent of California's more than 200 crops receive *no* subsidy. Only about two per cent of the total cash receipts for California agriculture represents any sort of government payment.

	Percentage change 1947-49 to 1968		Percentage change 1947-49 to 1968
Consumer price index.....	+49	Retail prices for bread, bakery, and cereal products.....	+58
Retail apparel and upkeep (clothing) prices.....	+31	Average prices received by farmers for wheat	-4
Hourly earnings of food marketing employees.....	+141	Retail prices for dairy products.....	+37
Hourly earnings California farm workers.....	+186	Prices received by farmers for dairy products.....	+15
Hourly earnings workers in manufacturing.....	+130	Retail costs for poultry and eggs.....	-28
Railroad freight rates for farm products.....	+19	Farm value of poultry and eggs.....	-43
Wholesale prices for industrial products.....	+38	Retail cost of meat products.....	+23
Medical care costs.....	+110	Farm value of meat products.....	-1
Retail prices (all foods).....	+41	Retail costs of fruit and vegetables.....	+51
Prices received by farmers (all foods).....	-4	Farm value of fruits and vegetables.....	+44

“Cost-Price Squeeze”

What is the result of this squeeze between rising costs and static prices?

It has meant that while gross income has increased, costs have risen even more. Therefore, net income has remained practically the same for many years.

It has also meant that agriculture, particularly in California, has become one of the most efficient industries in the world.

In order to compete, in spite of their higher production costs, California growers learned to produce more from each acre of land, and to produce commodities of unsurpassed quality.

To accomplish all this, farmers have had to adopt highly sophisticated methods. They have mechanized, improved, and innovated. This was expensive and to accommodate these new expenses, farmers had to expand.

“Hence the larger operations.”

Today the number of farms in California is fewer than it was ten year ago, and the average size of each farm is larger. There were 108,000 farms in California in 1960. Today, that number is 57,000. The average size was 359 acres in 1960, compared to 650 in 1970.

TO THE TEACHER: *“The Way It Is” was intended
to stimulate discussion.
The film was not designed
to deal with all
of agriculture’s problems.
Use the following STUDY GUIDE
as an aid in
your presentation.*

Prepared by Bill Mackie, Phd.
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Suggestions For Using the Film

The Social Sciences

"The Way It Is" may be used in a variety of ways in a variety of classes at both the junior and senior high school level.

Economics

As more economic units are incorporated in social science courses, "The Way It Is" may be used in a variety of units such as:

- Supply and Demand and How It Affects Agriculture
- Capital Investment
- Taxation
- Inflation
- The Business Cycle
- Farm Subsidies
- Labor and Management Roles
- The Price System
- Agricultural Marketing and Cooperatives
- Money and Banking
- Theories on Land Value

U.S. History and California History

- The Historic Trend Towards Big Business and Agriculture
- The Vanishing American—The Small Farmer
- Rural and Urban America
- The Values of Rural America
- Mechanization and Automation and its Effect on Society
- The Mexican-American Farm Worker
- Agricultural Labor in America
- History of Agriculture in California

Political Science and Government

- Pressure Groups and Lobbyists
- Government Aid to Agriculture
- Voting Trends in Rural Areas
- Taxation
- The Organization and Action of Agricultural Labor
- Ecology and Conservation—the Farmer's Responsibility

Sociology

- The Sociology of Rural America—Values, Traditions, Trends, Etc.
- Forces Disrupting the Traditional Rural Way of Life
(Organized Labor, Communications, Automation, Urban Migration, Mass Media, Decline of Puritanism, etc.)

The Sciences

"The Way It Is" can supplement units of study in a number of science courses and programs at both the junior and senior high school levels.

At the Junior High School level—6th, 7th and 8th grades in California and in most other states special units are experienced on the role of agriculture in American society. In instances such as these, "The Way It Is" together with its companion motion picture, "Horizon," might offer a point of departure for the entire unit.

Ecology—This new course is becoming more popular at all educational levels. No group in the nation is more concerned with environment than farmers. "The Way It Is" can be used to introduce ecological issues such as:

- The Balance of Nature
- The Conquest of Nature
- The Use of Insecticides and Their Effects
- Water Pollution
- How Technology Combats Environmental Pollution
- What Farmers Can and Should Do to Help in the War Against Pollution
- What About Organically Grown Food?

Botany—Many general as well as specific discussion topics can come out of this film:

- Plant and Animal Improvement—Selective Breeding
- Life Cycles
- Soil Conservation
- Food Cycles

Chemistry

- Insecticides
- The Forced Growing of Crops
- Role of Agricultural Chemistry in America

General Science—Many of the more general scientific topics listed above may be used.

Vocational Agriculture

"The Way It Is" can provide an effective introduction to high school classes in vocational agriculture.

Health, Nutrition and Home Economics

"The Way It Is" can spark discussion on many vital topics at both junior and senior high levels:

- Food Costs
- Food Processing and Packaging
- Food Additives
- Results of Malnutrition
- Purchasing Food for the Family
- Surplus and Want

Language Arts and Communications

"The Way It Is" might be used by a class in communications to show how one group—the California growers—is trying to get its message across to the public. Some discussion questions for this class might be:

- What is the purpose of the film?
- How effectively has this film gotten its message across?
- How would you improve the film?

Before Youth Groups

"The Way It Is" can be used as part of a meeting program.

Vocational Placement

"The Way It Is" could be used effectively to introduce farming as a career.

Have you seen "Horizon?"

If you have not already done so . . . may we suggest that you preview a print of the Council of California Growers' other film, entitled "Horizon." While "The Way It Is" details the human aspects, attitudes and problems of farming in our modern society, "Horizon" presents the factual panopoly of the number one industry in the state . . . Agriculture.

"Horizon" is a beautifully photographed, 28-minute, color film that dramatizes the impact made by California agriculture on the state, the nation, and the world, and details the inter-relationships between city and farm, the farmer and the consumer. "Horizon" depicts the technological triumphs that have enable the California grower to be the most productive in the world.

We suggest that the two films . . . "Horizon" and "The Way It Is" . . . be used to complement each other; "Horizon" to show the importance and scope of California agriculture . . . and "The Way It Is" to dramatize the human elements of farming and its problems in the number one farm state in the nation.

Both films are available through Association Films, Inc., Hayward, California.

How to order

"The Way It Is" and "Horizon" were produced by the Council of California Growers as entertaining and educational projects designed to create better understanding between the public and the agricultural and agribusiness communities.

Free loan prints of both films are made available through our distributor:

Association Films, Inc.
25358 Cypress Avenue
Hayward, California 94544

When requesting preview prints, please include your first and second choice of a preview date.

While the number of free loan prints is extremely limited, due to the heavy demand for these films, prints may be purchased for \$185.00 each by contacting Association Films.

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U. S. Department of Agriculture.
Allied industry and agricultural producer and processor organizations.



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